

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

636J0727

## SENATE TAXATION COMMITTEE ENGROSSED NO. **SB 172** - 01/30/2004

Introduced by: Senator Olson (Ed) and Representatives Olson (Mel) and Sebert

1 FOR AN ACT ENTITLED, An Act to revise the conditions for increasing the property tax levy  
2 in certain unorganized townships.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-13-35 be amended to read as follows:

5 10-13-35. This section does not apply to school districts. For taxes payable in 1997, and  
6 each year thereafter, the total amount of revenue payable from taxes on real property within a  
7 taxing district, excluding the levy pursuant to § 10-13-36, may increase no more than the lesser  
8 of three percent or the index factor, as defined in § 10-13-38, over the amount of revenue  
9 payable from taxes on real property in the preceding year, excluding the amount of taxes levied  
10 pursuant to § 10-13-36. After applying the index factor, a taxing district may increase the  
11 revenue payable from taxes on real property above the limitations provided by this section by  
12 the percentage increase of value resulting from any improvements or change in use of real  
13 property, annexation, minor boundary changes, and any adjustments in taxation of property  
14 separately classified and subject to statutory adjustments and reductions under chapters 10-4,  
15 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal



1 value. A taxing district may increase the revenue it receives from taxes on real property above  
2 the limit provided by this section for taxes levied to pay the principal, interest, and redemption  
3 charges on any bonds issued after January 1, 1997, which are subject to referendum, scheduled  
4 payment increases on bonds and for a levy directed by the order of a court for the purpose of  
5 paying a judgment against such taxing district. Any taxing district created after the effective date  
6 of this section is exempt from the limitation provided by this section for a period of two years  
7 immediately following its creation. ~~If a township is abolished pursuant to § 8-1-23, the newly~~  
8 ~~unorganized area of the county not included in any municipality, organized civil township, or~~  
9 ~~county road district organized pursuant to chapter 31-12A is considered a new taxing district~~  
10 ~~for the purpose of allowing the county to levy taxes on real property for maintaining secondary~~  
11 ~~roads in such area as required by § 31-12-26 and providing fire protection authorized by chapter~~  
12 ~~8-2.~~

13 Section 2. That chapter 10-13 be amended by adding thereto a NEW SECTION to read as  
14 follows:

15 If a township is abolished pursuant to § 8-1-23 and there was previously no unorganized  
16 territory in the county, the county levy for maintaining secondary roads in such area as required  
17 by § 31-12-26 and providing fire protection pursuant to chapter 8-2 are exempt from the  
18 limitation provided by § 10-13-35 for a period of two years immediately following the  
19 township's abolishment.

20 Section 3. That chapter 10-13 be amended by adding thereto a NEW SECTION to read as  
21 follows:

22 Any township abolished after January 1, 1996, in a county that previously contained no  
23 unorganized township may, for taxes payable in 2005 and 2006 be exempt from the tax  
24 limitation imposed in § 10-13-35 for secondary roads required by § 31-12-26 and providing fire

1 protection authorized by chapter 8-2.